

CSFs - Working Capital requirement for 6 Coop. Sugar Factories for the season 2009-10 - Availing of financial assistance for working capital from APCOB - Issue of Government default Guarantee for an amount of Rs.88.80 Crores in favour of APCOB - Orders - Issued.

INDUSTRIES AND COMMERCE (SUGAR) DEPARTMENT

Dated:08-12-2009.

- 1) G.O.Ms.No.10, Industries and Commerce(Sugar) Dept., Dated 17-01-2009
- 2) From the Commr of Sugar and Cane Comm, A.P., Hyderabad Lr. Rc. No.3184/2009/D1, dated: 14.10.2009.

The Commissioner of Sugar and Cane Commissioner A.P., Hyderabad in the reference 2nd read above, has requested the Government to extend unconditional irrevocable Government default Guarantee in favour of A.P.State Cooperative Bank, Hyderabad, for credit authorization for working capital Finance (Sugar Pledge Loan) to an extent of Rs.88.80 crores in respect of the following 6 Cooperative Sugar Factories which are having negative net worth to meet the working capital requirement. Apart from the Government default guarantee, the fixed assets of Cooperative Sugar Factories i.e. land and buildings, machinery, stand mortgaged in favour of A.P. State Coop. Bank Ltd (APCOB)/District Cooperative Central Bank(DCCB) and also hypothecation of sugars stocks as security for recovery of the loans:-

Sl. No.	Name of the Cooperative Sugar Factories	Working capital loan sanctioned by APCOB(Rs. crores)
1.	Sri Venkateswara Coop. Sugars Ltd., Renigunta	16.00
2.	Chittoor Coop. Sugars Ltd., Chittoor	20.00
3.	Kovur Coop. Sugars Ltd., Nellore	10.00
4.	Sri Vijayarama Gajapathi Coop. Sugars Ltd., Bhimasinghi.	13.50
5.	Thandava Coop. Sugars Ltd., Payakaraopeta.	20.00
6.	Anakapalli VV Ramana Coop. Sugars Ltd., Thummapala.	9.30
	TOTAL	88.80 crores

P.T.O.

3. Government liability will arise only after the Bank has exhausted / taken all steps to recover their dues, including disposal of assets, and only thereafter, approach the Government for the balance amount of default guarantee.

4. The Managements of the Cooperative Sugar Factories shall pay Guarantee Commission @ ½% per annum before execution of Guarantee Deed, and also repay the loan amount, as per the terms and conditions of the APCOB., Hyderabad.

5. The Commissioner of Sugar and Cane Commissioner shall ensure that the Managements of the above Sugar Factories prudently manage their finances and repay loan obligations themselves. He shall monitor utilization of loan funds as well as all other funds, including the revenue generated from sale of sugar. He shall inform the actual amount released by the APCOB., Hyderabad to the aforesaid 6 (six) Cooperative Sugar Factories, to execute default Guarantee by the State Government.

6. Separate Guarantee Deeds will be executed by the Secretary to Government, Finance Department, after the actual amounts are sanctioned by the APCOB., Hyderabad.

7. This order issues with the concurrence of Finance (Exp.I&C) Department vide their U.O.No.27988/482/Exp.I&C/09, dated:26 -11-2009.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B. SAM BOB
PRINCIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER, INDUSTRIAL PROMOTION

To
The Commissioner of Sugar and Cane Commissioner, A.P.,
Hyderabad.
The Managing Director, A.P. State Coop. Bank Ltd.,
Troop Bazar, Hyderabad-500 001.
The National Cooperative Development Corporation, New Delhi.
The Managing Directors concerned thro' Commissioner
of Sugar and Cane Commissioner, Hyderabad.

Copy to:

The Accountant General, A.P., Hyderabad.
The Director of Treasuries & Accounts, Hyderabad.
The Finance (DMC) Dept.
The Finance (Exp.I&C) Dept.
The P.S. to Minister (Sugar)
The P.S. to Minister (Finance)
The P.S. to Addl. Secretary to C.M.

//FORWARDED BY ORDER//

SECTION OFFICER